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ECONOMIC RESOURCE IMPACT STATEMENT

30 SEP 1990

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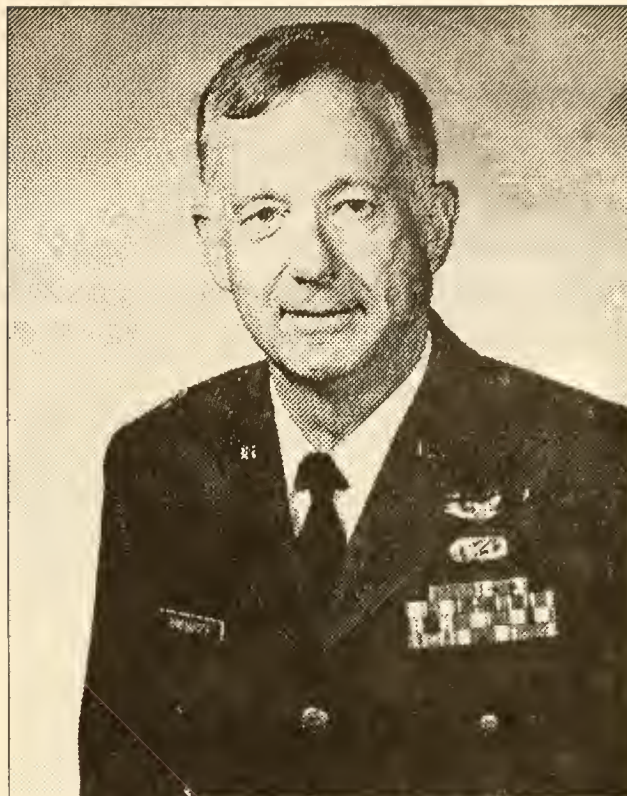
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Economic resource impact statement /



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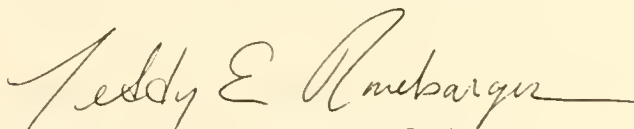
Although its main purpose is to estimate Malmstrom's annual economic impact on the local area, this statement also provides a wealth of information on the base's operations, people and facilities in one concise, "user-friendly" publication.


In many ways it serves as our "annual report," providing our board of directors -- Congress and the Air Force -- and our shareholders -- American taxpayers -- with a concise description of the base's assets and expenditures, and the effect our spending has on the economy, in terms of both money and jobs.

The Economic Resource Impact Statement quantifies various aspects of work and life on the base, and paints a fascinating "number picture" of a vibrant and dynamic community called Malmstrom

Air Force Base. I hope you find it useful and informative.

Fiscal year 1990 brought stiff challenges to Team Malmstrom, as we call ourselves. We met those challenges with enthusiasm, resourcefulness and good old hard work. And beside us all the way were our Montana neighbors -- a critical factor that makes Team Malmstrom a winning team. We appreciate the warm welcome and steadfast support our friends give us, and hope our presence has an equally positive impact -- economic and social -- on our host community.


TEDDY E. RINEBARGER
Brigadier General, USAF
Commander, 40th Air Division



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ECONOMIC RESOURCE IMPACT STATEMENT

The Economic Resource Impact Statement (ERIS) is designed to provide key unclassified information to public officials and visitors concerning the missions, resources, and economic impact of Malmstrom Air Force Base. This publication has been prepared in accordance with applicable Air Force directives and higher headquarters guidance and policies.

Prepared by:

Cost Analysis Branch
40th Air Division
Malmstrom Air Force Base, Montana 59402

Defense System Network (DSN) Telephone: 632-4188,
Commercial: (406) 731-4188

This book reflects Fiscal Year 1990 (1 Oct 89 - 30 Sep 90).

TABLE OF CONTENTS

<i>Subject</i>	<i>Page Number</i>
Executive Overview	2
Organizations	4
Personnel By Classification and Housing Location	6
Annual Gross Payroll By Classification and Housing Location	8
Construction, Contracts, and Expenditures for Materials, Equipment, and Supplies	10
Impact Calculation Procedures	12-13
Appendix	14
Economic Impact Region (EIR).....	15
Mission Statements	16-17
Program Data	18-21
Glossary of Terms	22-23

EXECUTIVE OVERVIEW

Payroll

Military	\$ 88,171,646
Appropriated Civilians	\$ 17,305,828
NAF/BX/Other Civilians	\$ 4,289,584
Total	\$109,767,058

Construction and Services

Construction	\$ 47,320,200
Services	\$ 13,488,348
Commissary/Base Exchange	\$ 446,269
Health	\$ 3,720,273
Education	\$ 1,119,951
TDY	\$ 660,876
Total	\$ 66,755,917

Materials, Equipment, and Supplies \$ 11,014,898

Total Base Expenditures in Economic Impact Region \$ 133,544,477
x 2.2622

TOTAL ECONOMIC IMPACT IN EIR \$302,104,316

Secondary Jobs Created in EIR 1,809

TABLE 1. ORGANIZATIONS

-- As of 30 September 1990 --

<u>Host</u>	<u>Command</u>
40th Air Division	SAC
Resource Management	
840th Combat Support Group	
840th Security Police Group	
840th Strategic Clinic	
341st Strategic Missile Wing	SAC
Operations	
Maintenance	
301st Air Refueling Wing	SAC
Operations	
Maintenance	
<u>Tenants</u>	
2153rd Communications Squadron	AFCC
Det 5, 37th Air Rescue Squadron	MAC
Det 5, 9th Weather Squadron	MAC
Det 23, 3904th Management Engineering Squadron	SAC
Field Training Detachment 501	ATC
12th Flying Training Wing, Operating Location L	ATC
Air Force Office of Special Investigations	AFOSI
Det 2, Ballistic Systems Division	AFSC
Det QD4B, USAF Trial Judiciary Area Defense Counsel	SAC
Ogden Air Logistics Center Field Offices	AFLC
Defense Reutilization and Marketing Service	AFLC
Defense Investigative Service	DOD
Det AA97, Civil Air Patrol	CAP
U.S. Army Corps of Engineers	DA
American Red Cross	

TABLE 5. SUMMARY OF PERSONNEL BY CLASSIFICATION AND HOUSING LOCATION

-- As of 30 September 1990 --			
<i>Classification</i>	<i>Living On Base</i>	<i>Living Off Base</i>	<i>Total</i>

APPROPRIATED FUND MILITARY			
Active-Duty Permanent Party	2,084	2,090	4,174
ANG/Reserve Permanent Party	0	0	0
Trainees/Cadets	0	0	0
Traditional Guardsmen/Reserve	0	0	0
TOTAL	2,084	2,090	4,174
ACTIVE DUTY MILITARY DEPENDENTS	3,760	2,989	6,749
APPROPRIATED FUND CIVILIAN			
General Schedule			317
Federal Wage board			213
Other			18
TOTAL			548
NONAPPROPRIATED FUND, CONTRACT CIVILIAN, AND PRIVATE BUSINESS			
Civilian NAF			161
Civilian BX			126
Contract Civilians ¹			968
Private Businesses on base by type:			
Branch Bank/Credit Union			47
Other Civilians ^{1, 2}			1
MILITARY RETIREES ³			
Air Force			1,269
Army			157
Navy			147
Marines			39
Coast Guard			7
TOTAL			1,619

Notes:

1. Not elsewhere Included.
2. Red Cross Employee.
3. Three digit ZIP Code, 594.

TABLE 6. SUMMARY OF ANNUAL GROSS PAYROLL BY CLASSIFICATION AND HOUSING LOCATION

-- Fiscal Year 1990 --			
<i>Classification</i>	<i>Living On Base (\$)</i>	<i>Living Off Base (\$)</i>	<i>Total (\$)</i>
APPROPRIATED FUND MILITARY			
Active Duty Permanent Party	\$41,267,009	\$46,904,637	\$88,171,646
ANG/Reserve Permanent Party	0	0	0
Trainees/Cadets	0	0	0
Traditional Guardsmen/Reserve	0	0	0
TOTAL	\$41,267,009	\$46,904,637	\$88,171,646
APPROPRIATED FUND CIVILIAN¹			
General Schedule			\$ 8,387,538
Federal Wage System			8,488,336
Other			429,954
TOTAL			\$17,305,828
NONAPPROPRIATED FUND, CONTRACT CIVILIAN, AND PRIVATE BUSINESS			
Civilian NAF ¹			\$1,479,597
Civilian BX ¹			1,262,238
Contract Civilians ²			968,000
Private Businesses on base by type:			
Branch Bank/Credit Union			566,271
Other Civilians ^{2, 3}			13,478
MILITARY RETIREES⁴			
Air Force			\$16,144,176
Army			1,731,552
Navy			1,476,912
Marines			420,156
Coast Guard			90,396
TOTAL			\$19,863,192

Notes:

1. Multiplied by factor of .893 to account for Employer contributions to payroll.
2. Not elsewhere included.
3. Red Cross Employees.
4. FY89 data was increased by 6.1% to reflect the retired pay increases in FY90.

**TABLE 7. SUMMARY OF CONSTRUCTION, CONTRACTS, AND EXPENDITURES
FOR MATERIALS, EQUIPMENT, AND SUPPLIES¹**

-- Fiscal Year 1990 --		Actual Annual Expenditure
CONSTRUCTION		
Military Construction Program		\$29,660,833
Nonappropriated Fund		474,000
Military Family Housing		6,658,667
Operations and Maintenance		10,526,700
Other		0
TOTAL CONSTRUCTION		\$47,320,200
CONTRACTS AND PROCUREMENT: SERVICES, MATERIALS, EQUIPMENT, AND SUPPLIES		
Services Contracts ²		\$ 6,689,516
Other Services ³		6,798,832
TOTAL SERVICES		\$13,488,348
Commissary, Base Exchange, Health, Education, and TDY Expenditures		
Commissary		\$424,619
BX		21,650
Health (CHAMPUS, Government Cost Only)		3,720,273
Education (Impact Aid and Tuition Assistance)		1,119,951
TDY		660,876
TOTAL		\$5,947,369
Other materials, Equipment, and Supplies Procurement ³		\$11,014,898
TOTAL EXPENDITURES		\$77,770,815

Notes:

1. Does not include contracts for services supplied to other Air Force Installations.
2. Includes only contracts in Economic Impact Region (EIR) or contracts requiring the use of locally supplied goods and services.
3. Not elsewhere included.

TABLE 8. ERS ECONOMIC IMPACT CALCULATION PROCEDURES

PART 1: DATA SUMMARY AND ADJUSTMENT

ERIS Table Number	Variable Name	A. Annual Amount (\$)	B. Adjustment Factors	C. (A x B) Local Amount (\$)	D. ERIS Variable
I. APPROPRIATED FUND (AF) PAYROLL			APC		
Table 6	Military on-base	\$41,267,009	x .546	\$22,531,787	Y _{mon}
Table 6	Military off-base	46,904,637	x .635	29,784,444	Y _{moff}
Table 6	Civilian	17,305,828	x .722	12,494,808	Y _{cs}
II. NONAPPROPRIATED FUND (NAF) AND OTHER CIVILIAN PAYROLL					
Table 6	Civilian NAF/BX	2,741,835	x .722	1,979,605	Y _{cx}
Table 6	Contract civilian ¹	\$968,000	x .722	\$698,896	Y _{cc}
Table 6	Other civilian ¹	13,478	x .722	9,731	Y _{co}
Estimated payroll expenditures off-base in EIR (Y _{mon} + Y _{moff} + Y _{cs} + Y _{cx} + Y _{cc} + Y _{co})				\$67,499,271	RPAY
III. CONSTRUCTION AND SERVICES			Labor Share x APC		
Table 7	Total Construction	\$47,320,200	x 0.384 x .722	\$13,119,431	Y _{con}
Table 7	Total Services	13,488,348	x 0.524 x .722	5,103,020	Y _s
Table 7	Commissary/BX	446,269	x 1.00	446,269	C
Table 7	Health	3,720,273	x 1.00	3,720,273	H
Table 7	Education	1,119,951	x 1.00	1,119,951	E
Table 7	TDY	660,876	x 1.00	660,876	T
Estimated Labor and Service Expenditure off-base in EIR (Y _{con} + Y _s + C + H + E + T)				\$24,169,820	RCONS
IV. MATERIALS, EQUIPMENT, AND SUPPLIES (MES)			MES Share		
Table 7	Total Construction	\$47,320,200	x 0.60	\$28,392,120	M _c
Table 7	Total Services	13,488,348	x 0.183	2,468,368	M _s
Table 7	Other materials, equipment, and supplies in EIR ¹	11,014,898	x 1.00	11,014,898	AFMAT
Estimated materials and equipment expenditures off-base in the EIR (M _c + M _s + AFMAT)				41,875,386	RMAT
V. TOTAL AF BASE EXPENDITURES IN EIR (RPAY + RCONS + RMAT)				\$133,544,477	RTOT

Note:

1. Not elsewhere included.

TABLE 8. Continued.

PART 2: ERIS ECONOMIC IMPACT CALCULATION

1. Estimated total economic impact in the EIR of the AF Installation's annual operation expenditures:

$$TEI_{EIR} = RTOT \times M$$

$$\$302,104,316 = \$133,544,477 \times 2.2622$$

2. Secondary Jobs Created (SJC) off base in EIR:

$$SJC = \frac{RPAY \times (M - 1)}{P_{RS}} + \frac{RCONS \times M}{P_{RS}} + \frac{RMAT \times M}{P_W}$$

$$1,809 = \frac{67,499,271 \times 1.2622}{\$87,838} + \frac{24,169,820 \times 2.2622}{\$87,838} + \frac{41,875,386 \times 2.2622}{\$437,492}$$

PART 3: SUMMARY OF LOCAL JOBS SUPPORTED BY ANNUAL OPERATION EXPENDITURES

1. Base appropriated fund employment:

Military (Table 5)	<u>4,174</u>	MIL
Civilian (Table 5)	<u>548</u>	CIV
Contract Civilian ¹ (Table 5)	<u>968</u>	
Other Civilian ¹ (Table 5)	<u>1</u>	

2. SJC employment from annualized base operation expenditures:

SJC off base within EIR (equation 2)	<u>1,809</u>	SJC
NAF/BX employment (Table 5)	<u>287</u>	NAFBX

3. Local employment supported by annual expenditures to operate the AF Installation: (MIL + CIV + NAFBX + SJC + Contract Civilian¹ + Other Civilian¹)

7,787

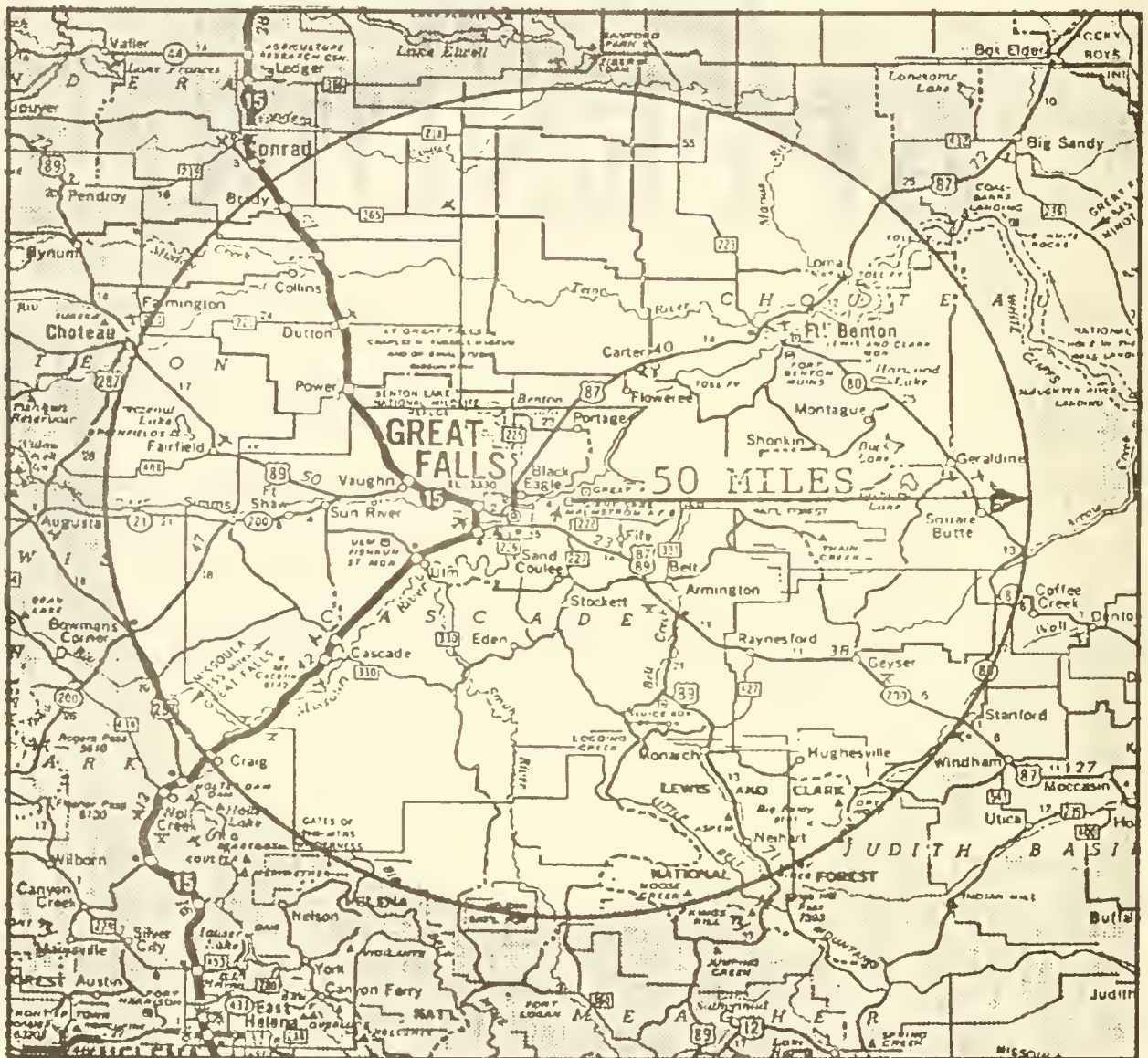
Note:

1. Not elsewhere included.

APPENDIX

ECONOMIC IMPACT REGION

This report presents information that describes the economic impact of Malmstrom AFB on its economic impact region (EIR). The EIR is an area within a 50-mile radius of the base. The counties that make up the EIR include Cascade, Chouteau, and Teton.



MISSION STATEMENTS

U.S. Air Force Mission

Provide an air force that is capable, in conjunction with the other armed forces, of preserving the peace and security of the United States, providing for its defense, supporting the national policies, implementing the national objectives, and overcoming any nation responsible for aggressive acts that imperil the peace and security of the United States.

In addition, the Air Force also provides major space research and development support for the Department of Defense (DOD) and assists the National Aeronautics and Space Administration in conducting our nation's space program. Finally, teamed with the Army, Navy, and Marine Corps, the Air Force is prepared to fight and win any war if deterrence were to fail.

Strategic Air Command Mission

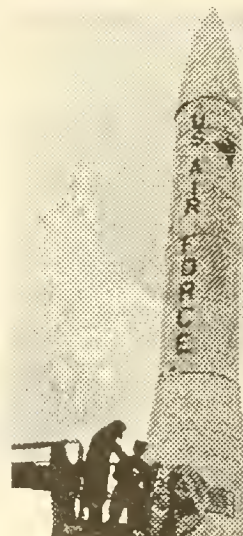
Conduct long range offensive operations in any part of the world either independently or in cooperation with other air, land and sea forces; conduct maximum range reconnaissance over land or sea either independently or in cooperation with naval forces; provide combat units capable of intense and sustained combat operations employing the latest and most advanced weapon systems; and train units and personnel for the maintenance of the strategic forces in all parts of the world.

40th Air Division Mission

Assure assigned units are manned, trained, and equipped to conduct strategic air warfare on a global scale, using nuclear and conventional weapons; to develop and maintain air refueling capability; train and equip the 40th Air Division staff for contingency and Single Integrated Operational Plan (SIOP) operation in support of applicable plans; and develop and maintain other special mission capability as directed by the Commander in Chief, SAC or Commander, Fifteenth Air Force.

341st Strategic Missile Wing Mission

Maintain and operate approximately 200 intercontinental ballistic missiles (ICBMs) as part of the Strategic Air Command's and nation's deterrent force and, if deterrence fails, be prepared to launch missiles upon the direction of the President in accordance with the Emergency War Order and the Single Integrated Operational Plan.



301st Air Refueling Wing Mission

Execute assigned Emergency War Order and all assigned contingency operations to include Joint Staff and higher headquarters-directed operational missions on a 24-hour basis. This includes coordinating/directing all air refueling operations between parent commands. During peacetime operations, carry out all training and supervision of assigned operational and support personnel.



TENANT MISSIONS

Det 5, 37th Air Rescue Squadron Mission

Support the 341st Strategic Missile Wing, in missile support activities and convoy



security. Provides the following secondary missions:

- a. Disaster preparedness operations.
- b. Medical evacuations and search and rescue operations in support of mili-

tary objectives and the National Search and Rescue plan.

c. Civil disturbance assistance in support of Strategic Air Command (SAC).

d. Cable route surveys.

e. Special missions as directed, coordinated, and approved by SAC and Headquarters Air Rescue Service.

Det 5, 9th Weather Squadron Mission

Provide weather support to the 341st Strategic Missile Wing and the 301st Air Refueling Wing. In addition to providing forecasting services to the base, issue weather advisories and warnings for the missile complex, strategic training range sites, and Helena Airport.

2153rd Communications Squadron Mission

Equip, administer, train, and provide personnel to operate and maintain communications computer systems and air traffic control facilities in support of the 341st Strategic Missile Wing, 301st Air Refueling Wing, 840th Combat Support Group, and other units at Malmstrom AFB as directed by the Commander, Strategic Communications Division.

PROGRAM DATA

341st Strategic Missile Wing

Missile Operations

Missile Crews		
Miles Driven	1,600,000	
Fuel Used	\$75,000	
Missile Crew Training		
Hours Trained	31,392	
Missile Crew Testing	<u># tested</u>	<u>Average Pass Rate</u>
Standardization Evaluation	354	96.0%

Missile Maintenance

Dispatches	6,569
Work Orders	37,344

301st Air Refueling Wing

Operations

Flying Missions	
Training	1,018
Mission Support	70
Total Sorties	1,088
Total Flying Hours	4,460

Maintenance

Completed Maintenance Actions	54,088
Engine Changes	52
Transient Aircraft Serviced	1,684

Det 5, 37th Air Rescue Squadron

Flying Missions

Actual
Flying Hours

Search & Recovery Efforts	42
MEDEVAC	0
Training	650
Other Mission Support	2,200
Total Flying Hours	2,892
Total Sorties	1,900

PROGRAM DATA (CONT'D)

Civil Engineering

Job Orders ¹	
Emergency	698
Routine	10,092
Total Job Orders	10,790
Work Orders ²	381
Road Service Contracts	\$2,800,000

<u>Utilities Consumed</u>	<u>Quantity</u>	<u>Cost</u>
Water (KGal)		
Housing/Trailer Court	149,258	\$ 77,169
Base/Missile Facilities	174,240	98,309
Total	323,498	\$175,478
Electricity (MKW)		
Housing/Trailer Court	13,856	\$ 532,649
Base/Clinic	37,163	1,446,834
Missile Facilities	36,272	1,616,085
Total	87,291	\$3,595,568
Heating Fuel (MCF)		
Housing/Trailer Court	168,004	\$ 730,902
Base/Heat Plant/Clinic	267,554	1,144,919
Total	435,558	\$1,875,821
Sewage (KGal)		
Housing/Trailer Court	88,128	\$ 62,279
Base/Missile Facilities	103,458	73,110
Total	191,586	\$135,389
Total		\$5,782,256

Notes:

1. Job Orders are items in need of repair.
2. Work Orders are used for installation of new items.

PROGRAM DATA (CONT'D)

Education Enrollment ¹

	<u>Officer</u>	<u>Enlisted</u>	<u>Civilian</u>	<u>Total</u>
Vo-Tech	5	128	341	474
Undergraduate	3	1,088	776	1,867
Graduate	651	30	772	1,453
Other	59	207	55	321
Total	718	1,453	1,944	4,115

Class Enrollment

Great Falls Vo-Tech	43
Park College	1,150
College of Great Falls	143
U of Southern California (Terminated 31 Dec 89).....	15
U of Montana	
Master of Administrative Science	555
Northern Montana College	712
Extension Course Institute (ECI)	784
Correspondence Courses	16
Embry Riddle Aeronautical University	185
Total	3,603

Degrees Earned

Associate/CCAF	98
Bachelor	7
Master	27
Total	132

Educational Costs

Tuition Assistance	\$205,232
Veterans Admin.	21,319
MCMEP ²	195,192
Total	\$421,743

Community Service

Units of Blood Donated	1,254
Red Cross Volunteers	170

Hours Donated

Legal	1,301
Casework	4,422
Dental Clinic/Medical Clinic	1,984
Survival Skills At Home Alone	176
Loy School Health Room	104
Veterinary Clinic	321
Blood Drive	1,144
Administration	485
Orientation	73
Total	10,010

Family Services Volunteers	87
Hours Donated	8,312

Notes:

1. These numbers are a cumulative amount for FY90
2. Missile Crew Member's Education Program

PROGRAM DATA (CONT'D)

Contributions

Combined Federal Campaign	\$128,692
Air Force Assistance Fund	\$48,894

Medical

Clinic Patient Visits	96,464
Dental Patient Treatments.....	128,252
Physical Therapy Treatments	114,962
Immunizations	14,149
X-ray Films Exposed	26,898
Laboratory Procedures	220,128
Pharmacy Prescriptions	215,484
Optometry Refractions	4,772
Local Purchase of Supplies	\$785,289

GLOSSARY OF TERMS

AFMAT	Other procurement (materials, equipment, and supplies) expenditures within the EIR.
C	Commissary procurements in the EIR.
E	Education Impact funds.
H	Local health expenditures (CHAMPUS funds).
M	Gross income multiplier. Expenditures, such as payrolls and procurement, produce an indirect effect that ripples through the local economy. Example: The Air Force pays an airman, an airman buys a car, and the car dealer uses some of the profits to have dinner in a restaurant. Thus, the government funds flowing into the EIR lead to an increase in local economic activity which exceeds the original expenditure.
M _C	Materials and supplies component of construction contracts. The material share of 60% is based on section 12.0212, U.S. Dept. of Commerce National Input/Output Structure, 1977.
M _S	Materials and supplies component of service contracts. The material share of 18.3% is based on section 73.0102, U.S. Dept. of Commerce National Input/Output Structure, 1977.
P _{RS}	Sales per worker in the trade/service sector.
P _W	Sales per worker in the wholesale sector.
RCONS	$Y_{CON} + Y_S + C + E + H + T$
RMAT	$M_C + M_S + AFMAT$
RPAY	$Y_{MON} + Y_{MOFF} + Y_{CS} + Y_{CC} + Y_{CO} + Y_{CX}$
RTOT	Initial expenditure remaining in the EIR from AF Installation total EIR procurements, construction, and income expenditure.
SJC	Secondary jobs off base in the EIR created by AF base EIR expenditures (not including military or NAF, AAFES, contract civilians, and other civilians, n.e.l., employed by the Installation).
T	Local TDY expenditures off base in the EIR.
EIR	Economic Impact Region. Area within a 50 mile radius of the base.

GLOSSARY OF TERMS (CONT'D)

TEI _{EIR}	Total economic impact in the EIR (including direct, indirect, and induced effects) of the AF Installation EIR expenditures.
Y _{CC} & Y _{CO}	Civilian payroll spent in the EIR by the AF Installation other civilian personnel, n.e.l.
Y _{CON}	Income spent in the EIR from payroll component of the construction contract expenditures. Based on a labor share of 38.4% for sector 12.0212, U.S. Dept. of Commerce National Input/Output Structure, 1977 and assumes an APC of .722.
Y _{CX} & Y _{CS}	Civilian payroll spent in the EIR by base civilian personnel including NAF, AAFES, and civil service employees. (Do not include income of civilians in private sector businesses located on base such as branch banks and commercial food establishments.)
Y _{MON}	Military payroll spent in the EIR by military permanent party and trainees living on base.
Y _{MOFF}	Military payroll spent in the EIR by AF Installation military personnel living off base.
Y _S	Income spent in the EIR from payroll component of service contracts. Base on a labor share of 52.4% for sector 73.0102, U.S. Dept. of Commerce National Input/Output Structure, 1977, and assumes an APC of .722.

